BUSINESS AND FINANCE

OF FINANCIAL WORLD

is in turn is an aid to

Large Amount of Money BIG INDUSTRY Wasted in Fake Stocks

American Investors Said to Waste Two Billion Dollars a Year in Worthless

Securities.

By GEORGE HINMAN.

CHICAGO, March II.—An economist estimates that \$2,000,000,000 a year is wasted by American investors and speculators in worthless securities, he protests, says, something must be done to check the blue-sky scheme; and calls for more laws to prevent them or Government commissions to repress them.

Similar news and comments come several houses in the Middle West of the Middle was the board tape from time to government.

Similar news and comments come several houses in the Middle West of the Middle was the state of the many of the European and the state of the General Art Prevent of the General March of the General March of the General Art Service, which will be a several houses in the Middle West at the state of the General March of the CHICAGO, March 11 .- An economist estimates that \$2,000,000,000 a year is wasted by American investors

heir surplus in fraudulent.

So he writer says we need more education; if better educated, the people will cease putting \$2,000,000,.

So a year or anything like it into blue-sky off companies and similar speculations. He says that, according to army tests in the war 45,000,.

So Americans are below the average in information and intelligence, are at the average, with January, 1921, however, there and the rest, only some \$5,000,000 is a very decided drop—from \$7,320,are supposed to be clever enough to
make their own way without help
or guidance in the business affairs
on guidance in the business affairs
on for encouragement in the fact of modern life. So he would edu-cate the feebler 45,000,000 and thus

cate the feebler 45,000,000 and thus prepare them to resist the blue-sky promoters.

That sort of talk will do in a college professor's classroom, but not equaled during any other month of that year and steadily declined in succeeding months, reaching their elsewhere. It is notorious that does lege professor's classroom, but not elsewhere. It is notorious that doctors, school teachers and clergymer—the best educated of us all—con tribute more to the \$2,000,000,000 waste in question than any other 1922, as compared with January, group of American cidzens—that is, 1921, was in plows and cultivators,

Intelligent Bought Marks. Some of the best educated men Water Bond Election that the writer knows have been buying German marks all the way down from two and a half cents to half a cent and less. Of the sixty half a cent and less. Of the sixty billion German marks marketed outboard of directors ordinance No. 61, side of Germany, the great bulk went to the most intelligent countries—the United States, England, a city filtration plant to the amount the Scandanavian nations and the Of \$150,000 to be authorized by the Dutch. The German are that the states of the construction of the scandanavian nations and the of \$150,000 to be authorized by the Dutch. The Germans say that the voters of Fairmont at an election to United States bought forty billion be held on March 28, was introduced of these marks. Not only that, but by Director Morris and was passed Americans are still buying them. by the board.

THE WASHINGTON TIMES,

General Air Service Auxiliary Concern Contemplates Transfer of German Plant.

To Weekly Statement.

Substantial increases in loans and discounts, largely at New York banks, apparently in connection with lowest mark in the last month of end-of-month payments, as against liquidation in nearly equal volume of investments in Government and other securities, is indicated in the Federal Reserve Board's weekly statement of condition on March I, of 807 member banks in leading cities. Demand deposits, because of the large increase in balances of out-of-town correspondents, mainly with the New York banks, show a much larger increase than loans. at Fairmont March 28 FAIRMONT, W. Va., March 11.- much larger increase than loans.

the year, when the exports of implements were valued at \$697,227.

The chief decrease in January.

and mowers and reapers.

STATEMENT OF THE CONDITION OF

The Pacific Mutual Life Insurance Company

of California

On the 31st day of December, 1921, as required under the District of Columbia code, amended June 80, 1902, and August 18, 1911.

LIABILITIES.

Bills Held. As against a reduction of \$9,000,000 in loans secured by Government obligations, loans secured by stocks and bonds and all other loans and discounts, composed largely of com-mercial and industrial loans, show an increase of \$38,000,000 each. Corresponding changes for member banks in New York city include a reduction of \$7,000,000 in loans secured by Government obligations, as against increases of \$36,000,000 in loans secured by stocks and bonds and of \$20,000,000 in commercial loans proper. Total loans and dis-counts of all reporting banks show an increase for the week of \$67,-000,000, of which \$49,000,000 repre-

Premiums uncollected and in hands of agents (including deferred premiums).

1,545,454 65 522,000,000: Treasury certificates, by finterest due and accrued (including rents).

1,545,454 65 522,000,000: Treasury certificates, by finterest due and accrued (including rents).

230,985 94 526,000,000 and other securities, by finterest loans.

Collateral loans.

Assets, accident department.

360,665,814 41 652,286 75 65,199,251 16 65,199,25 65,199,251 16 victory notes, as against reductions of \$12,000,000 in Treasury notes, of \$27,000,000 in Treasury certificates and of \$20,000,000 in other securities, Net unpaid claims (including matured endowments and annuities due).

Reserve as required by law.

Salaries, rents, expenses, taxes, etc.

Commissions, brokerage, etc.

Cash dividends remaining unpaid.

LIABILITIES.

and of \$20,000,000 in other securities, is noted. In consequence of the changes indicated, total loans and investments of all reporting banks show an increase for the week of \$7.789.95

\$3,000,000, and those of member banks in New York city a decrease of the changes indicated.

NEW PLANT TO OPEN.

BRISTOL, Va., March 11.—The Bristol Milling and Manufacturing the plant occupied by the Gauthier Abattoir near the Cortrim Lumber Company's plant in South Bristol, will begin operation within sixty

S. BOSTON BONDS SOLD. GEORGE I. COCHRAN, President.

S. F. McCLUNG, Secretary

Subscribed and sworn to before me this 24th day of January, 1922.

(Special)—Frederick E. Nolting, of Richmond, was the purchaser of the town of South Boston's \$200,000 bond issue, his bid being \$100.63 plus interest from February 1 until the delivery of the bonds. This will make a much more promising state terest from February 1 until the delivery of the bonds. This will make a much more promising state of things for the shares of public livery of the bonds. This will make a much more promising state terest from February 1 until the delivery of the bonds. This will make a much more promising state of things for the shares of public livery of the bonds. This will make a total premium of \$1,260. The bonds run twenty years and bear interest the week's banking and financial reports show continued strength. re-

Washington Stock Market ress of 1922 up to and including Friday, March 10.
Furnished by W. B. Hibbs & Co. BONDS

	PUBLIC UTILITIES		45-1600	机能测量的	
Sales.		Open.	High.	Low.	a
1,000	Anacostia & Potomac River R. R. 5's	CONTRACTOR STATES	80	80	350
45,500	Capital Traction 1st 5's		95%	94	8.23
1,000	Ches. & Pot. Telephone of Va. 5's		91	91	100
9,000	City & Suburban Ry. 1st 5's			78	SAGE
600	Georgetown Gas Light 1st 5's		80	81	22
4.000	Metropolitan R, R. 1st 5's		94%	94%	143
2,000	Potomac Electric Power 1st 5's		94	91%	127
44,000	Potomac Electric Power cons. 5's		91%	. 39	3193
7,000	Potomac Electric Power deb. 6's	2 10 20 20 20	99	98	941
70,100	Potomac Electric Power gen. 6's	The second	9914	98%	
62,500	Potomac Electric Power gen. 7's	O DESCRIPTION OF THE PARTY OF T	106	104%	10
10,000	Wash., Balto. & Annapolis 1st 5's		7814	7814	GR.
38,700	Washington Gas 74's	4447	106	104%	1
48,500	Washington Gas Light gen. 5's	Charles and the	91	88%	1605
75,500		****	694	65%	1
25,500	Wash. Ry. & Elec: cons. 4's		97%	9614	72.0
20,000	Wash. Ry. & Elec. gen. 6's	1	3537373	1000	10
	STOCKS			3,738	
2423	PUBLIC UTILITIES	1000			
10	American Tel. & Tel	115%	115%	116%	1
		95	9714	944	31103

75,500	Wash, Ry. & Elec: cons. 4's	65 1/2	69%	65%	69
25,500	Wash. Ry. & Elec. gen. 6's	95%	9714	9614	97
	STOCKS				
52425	PUBLIC UTILITIES.	36036			
10	American Tel. & Tel	115%	115%	116%	115
2,058	Capital Traction	30	9714	94%	95
1,083	Washington Gas	49%	60	48%	36
1,164	Wash. Ry. & Elec. com	89	4016	36%	
1,502	Wash. Ry. & Elec. pfd	64	66%	63	66
	NATIONAL BANK		25.25 4	AND MANY	
20	Commercial National Bank	180	186	130	185
2	District National Bank	108 %	168%	168%	168
10	National Bank of Washington	780	190	190	190
10	Second National Bank	148	148	148	148
	TRUST COMPANY.	ELEM I	100 m	1017.04	
80	American Security & Trust	222	232	222	230
161	Continental Trust	9814	981	91	95
1	Union Trust	118	118	118	118
20	Washington Loan & Trust	270	275	270	275
	SAVINGS BANK.	0.57AU	5 mg 24	7.1	
10	Merchants Bank	147	147	147	147
	FIRE INSURANCE.				
1	Firemen's Fire Insurance	18	18	18	18
	MISCELLANEOUS.			1	147
496	Mergenthaler Linotype	12914	151	129	
215	Old Dutch Market pfd			7	7
1.086	Lanston Monotype	71%	75	701/2	75
,000			100	-	-

Weekly Financial Review By HENRY CLEWS. of Henry Clews & Co., New York Bankers.

plan has been denounced by Secre-tary of the Treasury Mellon as the worst form of the bonus yet pro-posed, and such it undoubtedly is. Dangerous inflation would neces-sarily result from it, with the result that the soldier would probably pay many times over in the form of higher prices what he received in cash. The danger inherent in such a scheme is so great that further comment is unnecessary. Fortunately, there is good reason for believing that the measure will either be defeated or be killed by the

President's veto. Confidence In Industrials.

The market has shown a growing confidence in the industrial outook, which is fllustrated by the fact that both steel production and steel shares show encouraging increase in value, while the volume of output in a number of other lines is distinctly increasing from week to week. Against this hopeful trade situation, the continued disclosure of unfavorable operating results for the past year has only a limited influence. The Midvale Steel report, showing a deficit of \$5.300,000, and that of the General Motors Company, with a deficit of \$38,700,000, reflect conditions which have already been well known, and stocks accordingly show the buoyant effects of present business outlook rather than the depressing effects sents the increase in New York city. the sugar trade is seen in the gain Cash in office.

Cash in bank.

Real estate.

Cash estate mortgages (first lien).

States bonds and victory notes, the shown and victory notes, the states before, first lien).

States bonds and victory notes, the shown are given \$5.

Sugar for last year. New signs of the sugar trade is seen in the gain of most of the Cuban issues in value, as well as of the domestic refining shares, despite the \$5.500.

Sugar for last year. New signs of all other classes of investments show substantial reductions for the week; shown and leather trade, while audeforred premiums.

Interest due and accrued (section).

It has been only what was ex-pected that the decision of the Su-preme Court in the Consolidated Gas case should have exerted a powerful nfluence upon market sentiment, as well as upon quotations. Pro-nounced increases in gas stocks were, of course, looked for, and realized. The sweeping character of the decision lies in its establishment of the principle that the prop-erty of public utility concerns is entitled to a fair return of inc This has naturally infinenced the Company, incorporated with a capital stocks of other utility enterprises, tal stock of \$50,000 and located at and has resulted in a strong condition not only of gas shares, but also, sympathetically, of tractions and a variety of allied stocks. By releasing about \$20,000,000 to Con-solidated Gas and its subsidiaries the decision apparently renders dividends on these issues secure. Coupled with the fact that the Class

NEW YORK, March 11.—President Harding's decision not to send delegates to the conference at Genoa is undoubtedly dictated in some measure by the unfriendly attitude of the Senate toward the Washington arms conference treaties. The current statement of Senator Lodge that the four-power treaty is in danger and that, should it be defeated, the work of the arms conference would go for nothing illustrates the situation and inglillustrates the situation and shows why there is so much reluctance to incur any more foreign commitments to which we should have trouble in gaining the support of the country. Increasing confidence is expressed in the generous financing of the forthcoming crop season, bankers being convinced that the higher agricultural prices that the higher agricultural prices have come to stay. Meantime, there is no prospect that any demands likely to be brought to bear will exhaust more than a small portion of the sought at the banking system. The ratio of the wideat and run parallel in the banking system. The ratio of the wideat and may take steps calculated to modify the trouble which Mr. Willow season, bankers being convinced that the higher agricultural prices have come to stay. Meantime, there is cognisant of this situation and may take steps calculated to the structural prices are current. The remedy, therefore, must be sought at the banking system. The ratio of the wideat and most intelligent that the content of the valiable lending power of the banking system. The ratio of the wideat and most intelligent that the entire banks now stands at 77.3 per cent, a gain of 1.1 per cent, with a larger supply of gold on hand than ever, the total being this week \$2,366,000,000.

made in "certificates" discountable at the banks, and, of course, rediscountable at Reserve banks. The discountable at Reserve banks. The capable of taking nearly all stocks.

stocks are more promising than others. This is particularly true with regard to the rails, the capital stocks of which have remained stationary for a number of years, with the result that the floating supply has been reduced to very small pro-portions. Besides. with the econo-mies that have been introduced most portions. Besides, with the economies that have been introduced most railroads are now able to not only meet interest and other fixed charges, but are also able to earn dividends; and under the terms of the transportation act it is not at the country ravelle at this country ravelle at this the transportation act it is not at all unlikely that a number of consolidations will take place, or at least be talked of, which gives them additional speculative qualities, thus making them very attractive to those who have an eye to the future. Renewed talk of the independent steel merger has again attracted at-tention to the stocks of these com-panies, but saide from this it is now well known that the steel and iron industry is gradually getting back to a state of normalcy, and, of course, the improved trade outlook is not confined to this branch, but is embracing nearly all divisions. Good reason is found, therefore, for the market's satisfactory perform-ance, notwithstanding that prices have been marked up so well since the first of the year. While some hesitation may be displayed now and then, the general trend still appears

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NEW YORK CURB 2 Rector Street, New York Established 15 Years

as E. Wilson, the very level headed, democratic Chicago packer Some of the things he told me will

Take the price of hogs, about which everyone is talking.

How much do you think the farmer gets for each bushel of corn turned into hog products at current prices?

A dollar a bushel!

It works out, as I understand it, this way: It takes about eleven bushels of corn to form 100 pounds of pork. For his 100 pounds of pork the farmer today receives \$11.

This being so, farmers all over the This being so, farmers all over the country have taken to increasing their stocks of pigs and are bent upon increasing their production of corn in order to feed them. This policy on the part of the farmers is reflected by drastic decrease in the number of sows being shipped to market. Mr. Wilson warns this must inevitably lead to tremendous overproduction of pork before the end of this year and that prices, as a consequence, will fall to a level which will cause bitter disappointment among the farmers.

INCRESS

In charge of the considered, have been very moderate.

Bonus Still a Menace.

Bonus Still a Menace.

The fact that the soldier's bonus, instead of being disposed of, is still a serious menace, became evident in the early part of the past week, when the Ways and Means Committee determined upon a plan, previously only rumored, whereby the proposed payments should be made in "certificates" discountable made in "certificates" discountable at the banks, and of course, re-

power has been developed, which is capable of taking nearly all stocks, especially when they are offered at moderate concessions. This is due to the fact that most people who own them are imbued with the idea that their properties are worth more money, therefore are unwilling to part with them.

Under such circumstances, and notwithstanding that the demand from the public is still modest, it does not require any great amount of buying to bring about advances practically all along the line, although for special reasons certain stocks are more promising than

Concerning the enormous sums due us by foreign governments, Mr. Wil-son believes that while every possible diligence should be exercised to effect the best funding arrangments pos-sible, we will be forced to the conrecognizes, however, that public sen-timent in this country revolts at this stage against all talk of debt cancelthing to do is to press forward nego-tiations for long-term funding wher-(Copyright, 1922, by B. C. Perbee.)

S.O. of Indiana

readening influences compre-inding vast expansion are evi-most in this gigantic company's

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cast by W. H. Kettig, of Birmingham.

There has been very general rejoicing over the great advance in the prices our farmers have been receiving for wheat and corn and hogs and sheep. As the packer is the go-between, so to speak, between the agricultural producer and the American consumer, he naturally considers matters from both points of view. While very glad that a transformation has occurred in the condition of our agricultural population, Mr. Wilson sees serious seconomic dangers ahead if it should go much further.

Gradual but certain improvement in business conditions throughout the United States is forecast by W. H. Kettig, chairman of the Birming-ham branch of the Sixth Federal Reserve Bank of Atlanta and a director in the bank.

He is optimistic as regards the future and sees better times ahead for the South, as a result of the increased price of agricultural products, including grains, hogs and cotton. It is his opinion that hard and industrious work on the part of each individual will bring prosperity back.

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